

10 August 2026, Australia

ASX RELEASE
Vection Receives \$1.2m Government Grant Funding from Digital Health R&D Programs

Vection Technologies Ltd (ASX: VR1, OTC: VCTNY, FRA: S1X) ("Vection" or the "Company"), a leading provider of digital transformation solutions powered by INTEGRATEDXR® and Artificial Intelligence, is pleased to announce it has received **\$1.2 million in cash from Government R&D Programs (non-repayable, non-dilutive funding)** for development purposes across Vection's Artificial Intelligence, Extended Reality, Digital Health and Inclusive AI products.

The funds will be used in the Company's product roadmap and to expand collaboration potential while also improving the working capital position.

KEY HIGHLIGHTS

- Confirmation of **\$1.2 million cash in non-repayable, non-dilutive government funding** across four active R&D grant programs.
- Funds to be used within the Company's existing product roadmap across **four targeted innovation projects** and to **expand collaboration** potential while also **improving the working capital position**.
- The **four distinct technology domains include**: Inclusive AI and Sign Language translation (L4ALL), Cultural and Museum AI (URGO ISI), Immersive Heritage Visualisation (AVATART Calabria) and AI-powered Digital Health Rehabilitation (OMNIREHAB).
- Partnerships with internationally recognised research institutions including **University College London (UCL)**, the **National Research Council of Italy (CNR)**, the University of Milano-Bicocca, the University of Calabria and Università Telematica Internazionale Uninettuno.
- The programs are aligned with Vection's core product platforms: **Algho AI** (conversational and multimodal AI), **INTEGRATEDXR®** (immersive reality), and Vection's accessibility and phygital hardware capabilities.

OVERVIEW

Public funding of this kind is awarded based on the achievement of independently evaluated milestones and on criteria reflecting a **high level of innovation capability in the development of AI and XR technologies**. The confirmation of **\$1.2 million** therefore represents a formal assessment that the work being carried out by Vection and its research partners meets the standards required to advance these programs.

This is significant beyond the funding amount itself: it **validates the strategic direction and the quality of execution of Vection's Research and Development investments**.

Each of the four programs addresses a different dimension of intelligent technology: how AI communicates with people who use sign language, how it adapts to visitors in cultural and museum settings, how immersive technology can bring heritage to life, and how AI and motion capture can support people recovering from illness or injury at home. These are not abstract research exercises. They are applied programs that contribute directly to the Algho AI platform, to INTEGRATEDXR®, and to Vection's phygital accessibility hardware pipeline. The university and research partnerships bring domain expertise and validation that Vection would take significantly longer and greater cost to develop independently.

VECTION TECHNOLOGIES LTD

ASX:VR1; OTC:VCTNY; FRA:S1X | ACN: 614 814 041

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WEBSITE
www.vection-technologies.com
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R&D PROJECT PORTFOLIO

Project	Focus Area	Description	Key Partners
L4ALL	<u>Inclusive AI, Sign Language</u>	Next-generation AI for automatic translation of multimedia content into Sign Language via Vection's Text-to-LIS platform and Formal SignWriting (FSW)	Mediavoice, ITCentric, Università Uninettuno, CNR LACAM (incl. Deaf community researchers)
URGO ISI	<u>Cultural AI, Museum Technology</u>	Adaptive conversational AI platform for museums, dynamically managing visitor interactions across different cultural backgrounds and communication styles	University College London (UCL), CNR, University of Milano-Bicocca, Oversonic Robotics
AVATART Calabria	<u>Immersive Heritage, XR</u>	Immersive cultural heritage experiences using AI-powered 3D avatars and innovative holographic visualisation technologies	University of Calabria, Stark S.r.l.
OMNIREHAB	<u>Digital Health, AI Rehabilitation</u>	AI-powered remote rehabilitation platform combining Motion Capture and XR for home-based cognitive and physical rehabilitation. Vection acts as project coordinator.	Two healthcare cooperatives operating in Tuscany

Gianmarco Biagi, Managing Director and Executive Chairman, commented:

*"The achievement of the milestones that led to this funding confirmation **demonstrates the high value of Vection's development capabilities** and confirms that the work being undertaken meets independently assessed standards, including at an international level. These four programs span several areas of our technology roadmap: inclusive AI, cultural engagement, immersive cultural heritage visualisation and digital health rehabilitation. The technologies and capabilities we are developing will be integrated into Algho AI and IntegratedXR, while other activities will generate standalone intellectual property."*

*"Vection enters FY27 as a commercially self-sustaining business with positive operating cash flow and a very large sales pipeline. The Research and Development programs we are advancing through a combination of Vection's own investment and government funding are how we ensure that the **platform we are commercialising today continues to develop the capabilities our clients will require tomorrow.**"*

AUTHORISATION:

This ASX release is authorised by the Board of Directors of Vection Technologies Limited.

ENDS

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ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a global technology company specialising in Extended Reality (XR) and Artificial Intelligence. We design integrated digital ecosystems that combine XR, AI and 3D data to transform how enterprises train people, design products, support operations and engage customers. Vection's fully-owned product portfolio includes INTEGRATEDXR®, the Algho AI platform, and the Vection phygital hardware range.

Vection Technologies is listed on the Australian Securities Exchange (ASX) with ticker code **VR1**, trades on the U.S. over-the-counter (OTC) markets under the symbol **VCTNY** and is listed on Germany's Frankfurt Stock Exchange under the ticker **S1X**.

For more information, please visit: www.vection-technologies.com

FORWARD-LOOKING STATEMENTS:

Certain statements made in this release are forward-looking statements. These statements are not historical facts but are based on Vection Technologies' current expectations, estimates and projections about the industry in which the Company operates, and on management's beliefs and assumptions. Forward-looking statements can generally be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and similar expressions. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Vection Technologies. The Company cautions shareholders and prospective investors not to place undue reliance on these forward-looking statements, which reflect the view of Vection Technologies only as of the date of this release.

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